

AMENDED IN ASSEMBLY MARCH 26, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1548

Introduced by Assembly Member Pavley
(Coauthors: Assembly Members Jerome Horton and Laird)
(Coauthors: Senators Chesbro and Ducheny)

February 21, 2003

An act to add and repeal Article 10 (commencing with Section 18812) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1548, as amended, Pavley. Taxpayer contributions: Public Library Book Fund.

Under existing law regulating the administration of personal income taxes and corporation taxes, individual taxpayers are allowed to contribute amounts in excess of their tax liability for the support of specified funds or accounts.

This bill would additionally allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the Public Library Book Fund, which would be created by this bill. This bill would, however, prohibit a voluntary contribution designation for this fund from being added on the tax return until another voluntary contribution designation is removed.

This bill would provide that all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, would be allocated to the Franchise Tax Board and the Controller, and the State Department of Education Library, as provided.

This bill would provide that these voluntary contribution provisions are repealed on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. The bill would also provide that the provisions are repealed for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates, by September 1, that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for certain subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 10 (commencing with Section 18812) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 10. Public Library Book Fund

18812. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Public Library Book Fund. That designation is to be used as a voluntary contribution on the tax return.

(b) Contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayers' account, do not exceed the taxpayers' liability, the return shall be treated as though no designation has been made. If no designee is specified, the contribution shall be transferred to the General Fund after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) (1) The Franchise Tax Board shall revise the form of the return to include a space labeled “Public Library Book Fund” to allow for the designation permitted under subdivision (a).

(2) The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used for the purchase of library materials.

(f) Notwithstanding any other provision of law, a voluntary contribution designation for the Public Library Book Fund shall not be added on the tax return form until another voluntary contribution designation is removed.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

18813. There is in the State Treasury the Public Library Book Fund to receive contributions made pursuant to Section 18812. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18812 to be transferred to the Public Library Book Fund. The Controller shall transfer from the Personal Income Tax Fund to the Public Library Book Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18812 for payment into that fund.

18814. All moneys transferred to the Public Library Book Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) (1) To the State ~~Department of Education~~ *Library* for allocation to the Public Library Book Fund, to be used for the purchase of library materials with moneys administered by the State Librarian to public libraries across the state on a per capita basis.

(2) The ~~department~~ *State Library* shall have no oversight authority over these moneys or their uses and shall allocate these moneys to the Public Library Book Fund for the purposes described in this section. The funds may not be used for the

1 administrative costs of the State ~~Department of Education~~
2 *Library*.

3 18815. It is the intent of the Legislature that this article create
4 an additional funding source for library services, and be used to
5 supplement, not supplant, other funding sources for this cause.

6 18816. (a) This article shall, subject to subdivision (b),
7 remain in effect only until January 1 of the fifth taxable year
8 following the first appearance of the Public Library Book Fund on
9 the tax return, and as of that date is repealed, unless a later enacted
10 statute that is enacted before the applicable date deletes or extends
11 that date.

12 (b) If, in the second calendar year after the first taxable year the
13 Public Library Book Fund appears on the tax return, the Franchise
14 Tax Board estimates by September 1 that contributions described
15 in this article made on returns filed in that calendar year will be less
16 than two hundred fifty thousand dollars (\$250,000), or the
17 adjusted amount specified in subdivision (c) for subsequent
18 taxable years, as may be applicable, then this article is repealed
19 with respect to taxable years beginning on or after January 1 of that
20 calendar year. The Franchise Tax Board shall estimate the annual
21 contribution amount by September 1 of each year using the actual
22 amounts known to be contributed and an estimate of the remaining
23 year's contribution.

24 (c) For each calendar year, beginning with the third calendar
25 year that the Public Library Book Fund appears on the tax return,
26 the Franchise Tax Board shall adjust, on or before September 1 of
27 that calendar year, the minimum estimated contribution amount
28 specified in subdivision (b), as follows:

29 (1) The minimum estimated contribution amount for the
30 calendar year shall be an amount equal to the product of the
31 minimum estimated contribution amount for the prior September
32 1 multiplied by the inflation factor adjustment as specified in
33 paragraph (2) of subdivision (h) of Section 17041, rounded off to
34 the nearest dollar.

35 (2) The inflation factor adjustment used for the calendar year
36 shall be based on the figures for the percentage change in the
37 California Consumer Price Index received on or before August 1
38 of the calendar year pursuant to paragraph (1) of subdivision (h)
39 of Section 17041.

1 (d) Notwithstanding the repeal of this article, any contribution
2 amounts designated pursuant to this article prior to its repeal shall
3 continue to be transferred and disbursed in accordance with this
4 article as in effect immediately prior to that repeal.

O

